

Testimony of Eric W. Gjede
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Before the Transportation Committee
Hartford, CT
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Testifying in support of HB 5462 AAC Sales and Use Exemptions For Tax Shipping and Handling Charges

Good morning Senator Maynard, Representative Guerrera, Senator Boucher, Representative Scribner, and members of the Transportation Committee. My name is Eric Gjede and I am assistant counsel at the Connecticut Business and Industry Association (CBIA), which represents more than 10,000 large and small companies throughout the state of Connecticut.

CBIA supports HB 5426.

Unlike most states, Connecticut imposes a sales tax on the cost of shipping and delivery businesses charge to customers for the delivery of products. The effect of this additional sales tax is to make the overall cost of products sold by Connecticut businesses more expensive than those sold in neighboring states.

As a number of nation-wide business surveys have recently indicated, the perception across the country is that Connecticut is a high cost state to do business. We routinely set ourselves apart from other states by enacting regulatory and legislative burdens that exceed those in other states or required by federal law. By exempting from the sales tax the charge for the delivery of goods, we take a step in the right direction towards leveling the playing field for Connecticut businesses competing with others.

We appreciate the committee raising HB 5426. If passed, it will undoubtedly help Connecticut businesses better compete in the marketplace.